

SONNENSCHN NATH & ROSENTHAL

CHICAGO  
LOS ANGELES  
NEW YORK  
SAN FRANCISCO  
ST. LOUIS

1301 K STREET N.W.  
SUITE 600, EAST TOWER  
WASHINGTON, D.C. 20005

December 21, 1998

DEC 21 2 01 PM '98

(202) 408-6400  
FACSIMILE  
(202) 408-6399

DIRECT LINE  
(202) 408-6351

By Hand

Hon. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W., Room 714  
Washington, D.C. 20423-0001

RECORDATION NO. 21886 FILED

DEC 21 '98 2-01 PM

Dear Secretary Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11301(a) are two (2) original copies of a Memorandum of Security Agreement, dated as of December 15, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents, 49 C.F.R. Part 1177.

The names of the parties to the enclosed (and certain related) documents are:

Borrowers:

Martin Resource Management Corporation  
Berry Petroleum Corporation  
Central Oil Co., Inc.  
Magnum Oil Gas Company  
Martin Gas Sales, Inc.  
Martin Gas Transport, Inc.  
Martin Resources, Inc.  
Martin Underground Storage Inc.  
Midstream Fuel Service, Inc.  
Martin LP Gas, Inc.  
Ican Energy Company

Lender, Issuing Bank  
and Administrative Agent:

The Chase Manhattan Bank

Lender and  
Collateral Agent:

The CIT Group\Business Credit, Inc.

Lender and  
Documentation Agent:

Fleet Capital Corporation

*Counterspart - L. John Olson*

Hon. Vernon A. Williams  
December 21, 1998  
Page 2

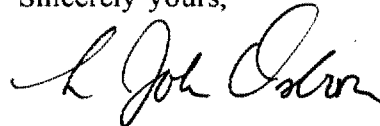
A description of the railroad equipment covered by the enclosed documents is as follows:

<u>Number</u>	<u>Type</u>	<u>Identifying Marks</u>
25	Tank Cars	MGSX 1943 through MGSX 1967, inclusive

Please note that, under the Security Agreement, as more fully described therein, each Borrower also grants to the Collateral Agent a security interest in ALL SUCH OTHER EQUIPMENT (INCLUDING RAILROAD CARS, LOCOMOTIVES AND OTHER ROLLING STOCK) AS IS NOW OWNED OR AT ANY TIME HEREAFTER MAY BE ACQUIRED BY SUCH BORROWER OR IN WHICH SUCH BORROWER NOW HAS OR AT ANY TIME IN THE FUTURE MAY ACQUIRE ANY RIGHT, TITLE OR INTEREST.

Also enclosed is a check in the amount of \$26.00, payable to the order of the Surface Transportation Board, which covers the required recordation fee. Kindly return one stamped copy of the enclosed document to the undersigned.

Sincerely yours,



L. John Osborn

Enclosures

DEC 21 '98

2-01 PM

MEMORANDUM OF  
SECURITY AGREEMENT  
made by  
MARTIN RESOURCE MANAGEMENT CORPORATION  
and certain of its Subsidiaries  
in favor of  
THE CIT GROUP/BUSINESS CREDIT, INC.  
as Collateral Agent

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This MEMORANDUM OF SECURITY AGREEMENT, dated as of December 15, 1998, is made by MARTIN RESOURCE MANAGEMENT CORPORATION, a Texas corporation (the "Company"), certain subsidiaries of the Company (together with the Company, the "Borrowers"), and by THE CIT GROUP/BUSINESS CREDIT, INC., as Collateral Agent (in such capacity, the "Collateral Agent").

WHEREAS, the Borrowers, The Chase Manhattan Bank, individually as Lender, and as an Issuing Bank, and Administrative Agent, The CIT Group/Business Credit, Inc., individually as a Lender and as Collateral Agent and Fleet Capital Corporation, individually and as Documentation Agent (individually, a "Lender" and, collectively with each additional Issuing Bank or financial institution that may from time to time become a party thereto, the "Lenders"), have entered into a certain Credit Agreement, dated as of December 15, 1998 (the "Credit Agreement"), under which certain loans will be made to Borrowers, as more fully described in the Credit Agreement; and

WHEREAS, as required by the Credit Agreement, the Borrowers and the Collateral Agent have entered into a certain Security Agreement, dated as of December 15, 1998 (the "Security Agreement"), under which each Borrower assigns and transfers to the Collateral Agent, and grants to the Collateral Agent, for the ratable benefit of the Lenders, a security interest in various property (as more fully described in the Security Agreement), including the following railroad equipment:

<u>Number of Cars</u>	<u>Type</u>	<u>Identifying Marks</u>
25	Tank Cars	MGSX 1943 through MGSX 1967, inclusive,

and

WHEREAS, under the Security Agreement, as more fully described therein, each

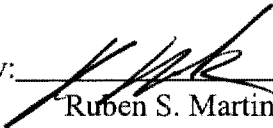
Borrower also grants to the Collateral Agent a security interest in ALL SUCH OTHER EQUIPMENT (INCLUDING RAILROAD CARS, LOCOMOTIVES AND OTHER ROLLING STOCK) AS IS NOW OWNED OR AT ANY TIME HEREAFTER MAY BE ACQUIRED BY SUCH BORROWER OR IN WHICH SUCH BORROWER NOW HAS OR AT ANY TIME IN THE FUTURE MAY ACQUIRE ANY RIGHT, TITLE OR INTEREST; and

WHEREAS, this Memorandum may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one such Memorandum.

IN WITNESS WHEREOF, each of the undersigned pursuant to due corporate authority has caused this Memorandum of Security Agreement to be executed in its respective corporate name by an officer duly authorized, and hereby declares pursuant to 28 U.S.C. § 1746 under penalty of perjury that this Memorandum is a true and correct document and was executed as of the date herein first set forth above.

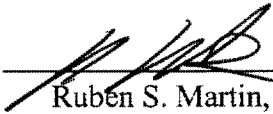
MARTIN RESOURCE MANAGEMENT  
CORPORATION

By: \_\_\_\_\_

  
Ruben S. Martin, III  
President

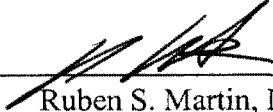
BERRY PETROLEUM CORPORATION

By: \_\_\_\_\_

  
Ruben S. Martin, III  
President

CENTRAL OIL CO., INC.

By: \_\_\_\_\_

  
Ruben S. Martin, III  
President

MAGNUM OIL & GAS COMPANY

By: \_\_\_\_\_  
Carroll W. Brooks  
President

MARTIN GAS SALES, INC.

By: \_\_\_\_\_  
Ruben S. Martin, III  
President

MARTIN TRANSPORT, INC.

By: \_\_\_\_\_  
Ruben S. Martin, III  
President

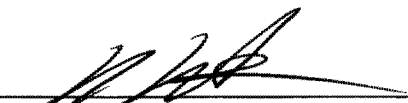
MARTIN RESOURCES, INC.

By: \_\_\_\_\_  
Ruben S. Martin, III  
President

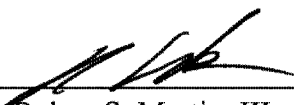
MARTIN UNDERGROUND STORAGE INC.

By: \_\_\_\_\_  
Ruben S. Martin, III  
President

MIDSTREAM FUEL SERVICE, INC.


By:   
Ruben S. Martin, III  
President

MARTIN LP GAS, INC.

By:   
Ruben S. Martin, III  
President

ICAN ENERGY COMPANY

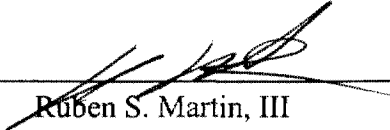
By: Martin Gas Sales, Inc., partner

By:   
Ruben S. Martin, III  
President

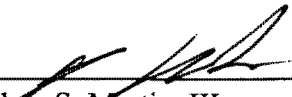
By: C. W. Brooks, Inc., partner

By: \_\_\_\_\_  
Carroll W. Brooks  
President

MIDSTREAM FUEL SERVICE, INC.


By:   
Ruben S. Martin, III  
President

MARTIN LP GAS, INC.

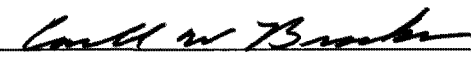
By:   
Ruben S. Martin, III  
President

ICAN ENERGY COMPANY

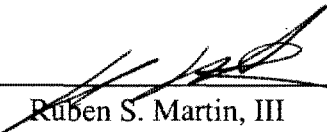
By: Martin Gas Sales, Inc., partner

By:   
Ruben S. Martin, III  
President


By: C. W. Brooks, Inc., partner

By:   
Carroll W. Brooks  
President

MIDSTREAM FUEL SERVICE, INC.

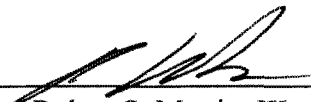
By:   
Ruben S. Martin, III  
President

MARTIN LP GAS, INC.

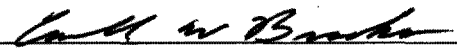
By:   
Ruben S. Martin, III  
President

ICAN ENERGY COMPANY

By: Martin Gas Sales, Inc., partner

By:   
Ruben S. Martin, III  
President


By: C. W. Brooks, Inc., partner

By:   
Carroll W. Brooks  
President



State of Texas )  
 ) SS:  
County of Dallas )

Donna L. Gullidge  
Signature of Notary Public



**DONNA L. GULLEDGE**  
MY COMMISSION EXPIRES  
September 23, 2000


State of Texas )  
 ) SS:  
County of Dallas )

Donna L. Gullidge  
Signature of Notary Public

My commission expires 9-23-00

State of Texas )  
 ) SS:  
County of Dallas )

Donna L. Gullidge  
Signature of Notary Public

 **DONNA L. GULLEDGE**  
MY COMMISSION EXPIRES  
**September 23, 2000**


## )

)



State of Texas )  
 ) SS:  
County of Dallas )

Donna L. Gallez  
Signature of Notary Public



**DONNA L. GULLEDGE**  
 MY COMMISSION EXPIRES  
**September 23, 2000**

CORPORATE FORM OF ACKNOWLEDGMENT

State of Texas

)

) SS:

County of Dallas

)

On this 15 day of December, 1998, before me personally appeared Ruben S. Martin III to me personally known, who being by me duly sworn, says that he is the President of Martin Transport, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Signature of Notary Public


My commission expires

9-23-00



State of Texas )  
 ) SS:  
County of Dallas )


Donna L. Sullivan  
Signature of Notary Public



**DONNA L. GULLEDGE**  
 MY COMMISSION EXPIRES  
 September 23, 2000

State of Texas )  
 ) SS:  
County of Dallas )

Donna L. Gullidge  
Signature of Notary Public



**DONNA L. GULLEDGE**  
 MY COMMISSION EXPIRES  
**September 23, 2000**



State of Texas )  
 ) SS:  
County of Dallas )

Signature of Notary Public

My commission expires \_\_\_\_\_

CORPORATE FORM OF ACKNOWLEDGMENT

State of Texas

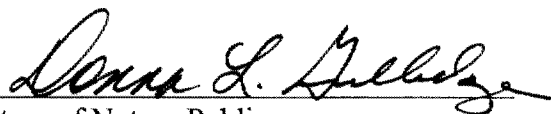
)

) SS:

County of Dallas

)

On this 15 day of December, 1998, before me personally appeared Ruben S. Martin III to me personally known, who being by me duly sworn, says that he is the President of Martin LP Gas, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Signature of Notary Public


My commission expires

9-23-00



State of Texas )  
 ) SS:  
County of Dallas )

Donna L. Bulldge  
Signature of Notary Public

 **DONNA L. GULLEDGE**  
MY COMMISSION EXPIRES  
**September 23, 2000**

CORPORATE FORM OF ACKNOWLEDGMENT

State of Texas

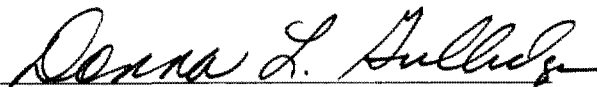
)

) SS:

County of Dallas

)

On this 15 day of December, 1998, before me personally appeared Carroll W. Brooks to me personally known, who being by me duly sworn, says that he is the President of C.W. Brooks, Inc., as partner of Ican Energy Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Signature of Notary Public

My commission expires

9-23-00

